



# Baldwinsville Public Library

## Private Funds and Employee Leave Accruals

### Report of Examination

Period Covered:

July 1, 2012 – February 28, 2014

2014M-256



Thomas P. DiNapoli

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# State of New York Office of the State Comptroller

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## **Division of Local Government and School Accountability**

December 2014

Dear Library Officials:

A top priority of the Office of the State Comptroller is to help local government officials manage government resources efficiently and effectively and, by so doing, provide accountability for tax dollars spent to support government operations. The Comptroller oversees the fiscal affairs of local governments statewide, as well as compliance with relevant statutes and observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving operations and Library Board of Trustees governance. Audits also can identify strategies to reduce costs and to strengthen controls intended to safeguard local government assets.

Following is a report of our audit of the Baldwinsville Public Library, entitled Private Funds and Employee Leave Accruals. This audit was conducted pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the New York State General Municipal Law.

This audit's results and recommendations are resources for local government officials to use in effectively managing operations and in meeting the expectations of their constituents. If you have questions about this report, please feel free to contact the local regional office for your county, as listed at the end of this report.

Respectfully submitted,

*Office of the State Comptroller  
Division of Local Government  
and School Accountability*



## State of New York Office of the State Comptroller

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### EXECUTIVE SUMMARY

The Baldwinsville Public Library (Library) is located in the Village of Baldwinsville in Onondaga County. The Library is a school district public library<sup>1</sup> that received its provisional charter from the New York State Board of Regents in 1975 and is overseen by the New York State Education Department (SED). The Library is governed by a seven-member Board of Trustees (Board) who are elected by Baldwinsville Central School District residents. The Library Director, appointed by the Board, is responsible for day-to-day Library operations.

The Board appoints a Board member as the treasurer of private funds (money received from gifts or donations). On February 28, 2014, the Library had approximately \$175,000 in its private funds bank accounts. The Library has 48 employees, including full-time, part-time and substitutes. The Library's budgeted appropriations for the 2013-14 fiscal year were \$1.5 million, of which \$794,440 was for salaries and wages.

#### **Scope and Objective**

The objective of our audit was to examine internal controls over the Library's private funds and employee leave accruals for the period July 1, 2012 through February 28, 2014. Our audit addressed the following related questions:

- Did the Board establish adequate internal controls over the reporting, receipt and disbursement of private funds?
- Did the Board implement appropriate policies and did Library officials develop appropriate procedures to effectively monitor the use of employee leave time?

#### **Audit Results**

The Board does not have an effective system of internal controls over private funds. The Board does not report the receipt or disbursement of private funds in its reports to either SED or the Office of the State Comptroller (OSC). Because Library officials did not report moneys received from private sources, taxpayers, SED and OSC do not have an accurate picture of the Library's financial condition. The Board appoints a Library trustee as the private funds treasurer. Therefore, the treasurer, who is also a Board member, could approve a claim that he/she prepared for payment. This lack of independence makes Library assets more susceptible to misappropriation. The Board also gave the former Director a

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<sup>1</sup> A school district public library is an autonomous entity (separate from the school district) and is established by the school district voters, who vote on the Library's budget. The school district levies, collects and remits taxes to the Library.

\$5,000 gift from the private funds as a reward for her over 30 years of service. Board minutes did not indicate Board approval of this gift. We also identified an additional \$1,500 in gifts or awards that the Board approved to be paid from private funds, which included a \$150 longevity award to the former Director.

The Board has established policies related to payroll and leave accruals for both part-time and full-time Library employees, including the Director. However, Library officials have not established procedures to effectively record and monitor employee leave accruals, including vacation, sick, personal and compensatory leave<sup>2</sup> (comp time). There is no formal process for employees to request the use of leave time or earn comp time. There is no supervisory approval of timesheets maintained by part-time employees and full-time employees do not maintain timesheets. In addition, full-time employees are responsible for maintaining their own leave reports without oversight and independent verification by Library officials. When reviewing the leave reports for selected full-time employees, we found that two employees had sick leave accruals above the Board-approved maximum amount and three employees (including the former Director) had comp time balances that exceeded the maximum amount allowed by Board policy.

Without a standard procedure for recording and tracking employee leave-time accruals and periodic reviews by the Director and the Board to verify that employees leave-time accruals are accurate and adhere to Board policies, the Library is at risk of paying employees leave accruals to which they are not entitled. For example, when the former Director retired in September 2013, she was inappropriately paid for 12 days of unused leave, or \$3,180, because she was able to earn comp time in excess of limits set by the Board's policy.

### **Comments of Library Officials**

The results of our audit and recommendations have been discussed with Library officials and their comments, which appear in Appendix A, have been considered in preparing this report. Library officials generally agreed with our recommendations and indicated they planned to take corrective action.

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<sup>2</sup> Compensatory time is an arrangement by which eligible employees are entitled to time off in lieu of overtime pay.

# Introduction

## Background

The Baldwinsville Public Library (Library) is located in the Village of Baldwinsville in Onondaga County. On May 7, 1974, the voters of Baldwinsville Central School District (District) approved a proposal to create a school district public library.<sup>3</sup> The Library received its provisional charter from the New York State Board of Regents in January 1975. The Library is governed by a seven-member Board of Trustees (Board) who are elected by District residents. The Library Director, appointed by the Board, is responsible for day-to-day Library operations. The current Director (Director) was appointed by the Board in August 2013. The former Library Director retired in September 2013.

The Library receives financial and payroll services through the District. The Board annually appoints the District Treasurer to have custody of the Library's public funds (money received from taxes and other public sources). The Board appoints a Board member as the treasurer of private funds (money received from gifts or donations).

The Library has 48 employees, including 10 full-time and 38 part-time and substitute employees. The Library's budgeted appropriations for the 2013-14 fiscal year were \$1.5 million, of which \$794,440 was for salaries and wages.

## Objective

The objective of our audit was to review internal controls over the Library's private funds and employee leave accruals. Our audit addressed the following related questions:

- Did the Board establish appropriate internal controls over the reporting, receipt and disbursement of private funds?
- Did the Board implement appropriate policies and did Library officials develop appropriate procedures to effectively monitor the use of employee leave time?

## Scope and Methodology

We examined the Board's oversight of the Library's procedures over private funds and leave accruals for the period July 1, 2012 through February 28, 2014.

We conducted our audit in accordance with generally accepted government auditing standards (GAGAS). More information on

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<sup>3</sup> A school district public library is an autonomous entity (separate from the school district) and is established by the school district voters, who vote on the Library's budget. The school district levies, collects and remits taxes to the Library.

such standards and the methodology used in performing this audit are included in Appendix B of this report.

**Comments of  
Library Officials and  
Corrective Action**

The results of our audit and recommendations have been discussed with Library officials and their comments, which appear in Appendix A, have been considered in preparing this report. Library officials generally agreed with our recommendations and indicated they planned to take corrective action.

The Board has the responsibility to initiate corrective action. A written corrective action plan (CAP) that addresses the findings and recommendations in this report should be prepared and forwarded to our office within 90 days, pursuant to Section 35 of the General Municipal Law. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. We encourage the Board to make this plan available for public review in the Director's office.

## Private Funds

The Board is responsible for establishing an effective system of internal controls over all funds, including those from gifts and donations. All money collected by the Library, including gifts or donations from private sources, should be handled in the same manner as funds from public sources, and should be included in the annual financial reports submitted to the New York State Education Department (SED) and the Office of the State Comptroller (OSC). All claims paid, including claims paid from donated funds, should be audited by the Board prior to payment. In order for the Board to be able to ascertain the propriety of each claim presented to it for payment, every claim must be adequately supported by an itemized receipt or invoice or other documentation. All moneys received should be recorded, deposited and accounted for properly. The use of press-numbered duplicate receipts, which document individual cash collection activities, can help ensure that all transactions are properly recorded in the accounting records.

The Board has not established adequate internal controls over the reporting, receipt and disbursement of private funds. Errors occurred in the receipt and disbursement of funds due to the lack of established policies and procedures.

Annual Reports – The Board annually reports all receipts and disbursements of public funds to SED in a library report and to OSC through the District’s annual financial report (ST-3). The money that the Library collects from private sources is not included in either report. As of February 28, 2014, the Library had approximately \$175,000 in funds from private sources.

The Director and the Board President informed us that they were not aware that funds from private sources needed to be included in these annual reports. Because Library officials did not report moneys received from private sources, taxpayers, SED and OSC do not have an accurate picture of the Library’s finances.

Private Funds Treasurer – The Board appoints a Library trustee as treasurer for private funds. While the Board may appoint the District Treasurer to have custody of these funds, it is a general principle of law that a public body may not appoint one of its own members to a position over which it has the power of appointment. Accordingly,

the Board should not appoint one of its members as treasurer for funds derived from private sources. Furthermore, the Board should audit claims before they are paid from private funds and the treasurer should sign checks for payment against those claims. When the same individual performs both functions, it weakens internal controls over the payment of claims.

Cash Disbursements – The Board does not always audit and approve claims prior to disbursing funds from private sources. The treasurer for private funds (who is also a Board member) told us that she generally does not see invoices for fundraising expenditures. The Board member in charge of fundraising<sup>4</sup> informs the private funds treasurer when something needs to be paid. The private funds treasurer then writes a check to the specified vendor and gives the check to the Board member to make the payment. Due to the weak controls for approving these disbursements, we reviewed all 27 disbursements of private funds that occurred during our audit period.

Our review of the \$14,888 in total disbursements identified the following deficiencies:<sup>5</sup>

- Library officials gave the former Director a \$5,000 gift from private funds as a reward for her over 30 years of service. In addition, Library officials gave \$1,500 in gifts or awards to 11 different Library employees and volunteers.<sup>6</sup> Included in this \$1,500 was a \$150 longevity award to the former Director in August 2013. The \$5,000 gift was included on a separate warrant<sup>7</sup> dated the same day as the \$150 longevity award. Board minutes indicate that the Board planned to give the former Director the gift at her retirement party, but the amount was not specified. The Board President told us the Board authorized the \$5,000 gift, but there is no indication in the Board minutes that the Board formally approved the payment or the related warrant.

It is permissible for a public library to provide a token of appreciation, such as a plaque or other memento of nominal value, to an employee or volunteer in recognition of their service. However, the Board is not authorized to make gifts or longevity awards to officers or employees as a gratuitous

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<sup>4</sup> Whether public libraries have the legal authority to expend their resources to solicit gifts is not within the scope of this audit.

<sup>5</sup> Some claims had more than one deficiency.

<sup>6</sup> These gifts and awards ranged in amount from \$40 to \$150.

<sup>7</sup> A warrant is a list of the claims to be paid. The Board typically passes a resolution to authorize the payment of claims listed on a warrant.

reward for services already rendered and compensated, unless payment is specified in a collective bargaining agreement or contract. Because the Library does not have a collective bargaining agreement or a contract for the Director or any employees, and the Board policies do not mention longevity awards as part of the compensation structure for staff, we conclude that these disbursements were inappropriate.

- Seven claims, totaling \$4,063, were not listed on a warrant. Therefore, there is no evidence that the Board approved these payments. Six of these claims, totaling \$3,963, were related to a boat cruise fund-raiser<sup>8</sup> and one was a merit award for a librarian, totaling \$100. Merit awards are authorized by the Library's payroll policy.
- Seven disbursements, totaling \$501, were included on warrants approved by the Board, but did not have itemized invoices to support the payments. Four of the disbursements were for holiday gifts, totaling \$300 – \$50 was to purchase children's books as a memorial, \$75 was to reimburse prizes purchased for the Children's Summer Program and \$76 was to reimburse for flowers purchased for the building.
- One disbursement, totaling \$335, was for the reimbursement of items purchased from different vendors by three different employees.<sup>9</sup> Rather than write checks to reimburse the employees, the Board President (acting in the absence of the private funds treasurer) wrote one check to the Library. The bookkeeper substituted this check for cash collected from fines and fees to provide cash reimbursements to the three employees. The check was deposited into the Library's public funds checking account. This dilutes the transparency of the disbursement process.

Because the Board did not establish policies and procedures for private funds disbursements to ensure that all claims were audited and approved by the Board prior to payment, were for proper Library purposes, were adequately documented and were properly paid, there is an increased risk that inappropriate, unauthorized or unsupported payments could be made.

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<sup>8</sup> The Board raised \$6,310 in total from the two cruises; \$2,930 in 2012 and \$3,380 in 2013.

<sup>9</sup> Including holiday gift certificates and a reimbursement for a machine works bulletin

Cash Receipts – According to the private funds treasurer’s records, cash receipts from private sources totaled \$8,319 during our audit period. We were able to trace all receipts from the records (and reports to the Board) to deposits in the private funds bank accounts. However, the Board does not require the Director or other Library staff who collect these moneys to issue press-numbered receipts. While there is a process to document private donations, there is no process for documenting fundraising activities. We determined that \$6,324 in receipts were not documented by Library staff prior to being deposited by the private funds treasurer.

Because the Board has not established policies and procedures related to cash receipts of private fund moneys, the Library’s cash receipt process is missing crucial internal controls that would allow Library officials to ensure that all moneys originally collected were properly recorded and deposited intact.<sup>10</sup>

## **Recommendations**

The Board should establish policies and procedures to help ensure that:

1. The Library’s private funds are reported to SED and OSC in the annual library report and the District’s ST-3.
2. It does not appoint one of its members as the private funds treasurer.
3. It does not use money received from private gifts and donations for staff gifts and gratuitous awards for services rendered and fully compensated (other than small tokens of appreciation of nominal value), unless the payments are specified in a collective bargaining agreement or other employment contract.
4. All claims paid from private funds are audited and approved prior to payment and are properly supported by a detailed invoice, receipt or other documentation.
5. Reimbursements to employees are paid by check to each individual.
6. Pre-numbered receipts are issued at the time moneys are collected.

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<sup>10</sup> Intact means in the same amount and form (cash or check) as received.

## Employee Leave Accruals

Leave accruals represent time off earned by employees. The Board is responsible for ensuring that employee leave benefits are properly provided, used and accounted for accurately. An essential part of internal control over leave accruals includes requiring employees to maintain daily time records of hours worked and leave time used. Time records should then be verified and approved by the employees' direct supervisors, certifying that the work was actually performed. Additionally, a good system of accounting for employee leave time (vacation, sick, etc.) includes a policy and procedures for periodic independent reviews to verify that the records for leave time earned and used are accurate. In certain instances, unused leave time can be converted to cash payments, which represents a considerable monetary benefit for employees. Accurate records are essential to ensure employees only earn and use leave time to which they are entitled.

The Board has not established adequate internal controls over employee leave accruals. As a result, leave records may not be accurate and employees could use leave credits or receive payments to which they are not entitled.

Tracking Time Worked and Accruals – Time sheets help supervisors and individuals who process payroll determine employees' regular and overtime hours (if applicable) and update employees' leave accrual balances. Time records should be prepared and signed by the employees and show the actual daily hours worked and leave time used.

The Board has approved policies related to payroll and leave accruals for part-time and full-time employees, including the Director. The Library currently has two procedures for tracking employees' leave accruals.<sup>11</sup> Part-time employees are required to complete and sign bi-weekly time sheets, attesting to the accuracy of what they submitted.<sup>12</sup> However, no written supervisory approval is required. The Library employs a part-time bookkeeper who uses the time sheets to fill out the annual attendance history report and track leave accruals for part-time employees.

Full-time employees are not required to complete time sheets. Each full-time employee completes an annual attendance history report

<sup>11</sup> Both the part-time and the full-time employee leave accrual reports are maintained on a calendar year basis.

<sup>12</sup> The policy states that the time sheets should reflect accurate work, sick or vacation hours and should be filled in on a daily basis.

where they are supposed to document leave earned and taken during the year. The report is submitted to the Director each January. The Director informed us that she does not review the reports for accuracy, but believes that she has the appropriate documentation to do so.

The Director told us that although there was no formal process for requesting the use of leave time, she records any leave requests, whether verbal or by email, on a calendar kept in her office.<sup>13</sup> A second calendar is maintained in the Library's back room and employees manually record time off requests called in or early departures. For example, if an employee calls in sick, another employee will record the name of the employee who called in on the back room leave calendar. The Director explained that she periodically transfers any leave information not on her desk calendar from the back room calendar. The Director told us that she also keeps a master schedule that is updated when there is a change in staff or if an employee's scheduled hours change. As of May 2014, when we asked for the most recent copy of the schedule, we were given one that was last updated on October 30, 2013. There had been staff changes after October 30, 2013 and prior to our fieldwork; however, the schedule was not updated. For example, we were informed that in February 2014, a former part-time Librarian became full-time, yet the master schedule was not updated to reflect the employee's new schedule. Because the master schedule is not kept up-to-date to show the actual time worked by employees, and there is no assurance that all leave usage has been accurately documented in the calendars, these records are not an adequate substitution for properly maintained and approved employee time sheets.

When appropriate time sheets are not maintained or they lack supervisory approval, there is an increased risk of the Library paying employees for time not worked or for absences that are not charged to leave accruals. Also, when employees maintain their own leave records without oversight and independent verification by Library officials, there is an increased risk that employees could earn or use leave time to which they are not entitled.

Leave Reports – Part-time employees earn vacation and sick leave and full-time employees earn vacation, sick, personal and compensatory leave<sup>14</sup> (comp time) according to the Board policies. Library policy allows employees to receive cash payments for vacation and comp time accrual balances upon termination of employment. The policy

<sup>13</sup> Beginning in January 2014, the current Director told us she began requiring part-time employees to fill out and submit written leave requests. Copies are made and given to the bookkeeper to file and compare to leave documented on part-time employees' time sheets.

<sup>14</sup> Compensatory time is an arrangement by which eligible employees are entitled to time off in lieu of overtime pay.

also states that employees cannot maintain a comp time balance above a maximum of 22.5 hours, equivalent to three full-time days. According to the policy, the Director must give prior written approval before the employee can earn comp time.

Standard procedures for recording and tracking employee leave-time accruals and periodic reviews by the Director and the Board are needed to verify that individual employees' leave-time accruals are accurate and adhere to Board policies. Without such procedures, the Library is at risk of paying employees' leave accruals to which they are not entitled.

The Director informed us that they have not been following the part of the policy which required each employee to prepare a comp time request prior to earning comp time and there is no process for anyone to periodically monitor the leave reports maintained by full-time staff. As a result, there is an increased risk that employees could earn comp time to which they are not entitled.

We reviewed four part-time employees' leave accruals, including the current and former bookkeepers who are responsible for tracking part-time leave accruals. We were able to trace the time worked and leave time taken from the all four employees' time sheets to their individual annual leave-accrual reports. We found minor discrepancies related to compliance with Board policies, which we discussed with Library officials.

Because of the lack of internal controls over the process of documenting leave requests and the fact that the master schedule is not updated on a timely basis, it is virtually impossible for Library officials to determine whether full-time employees' leave is appropriately earned and used. We reviewed leave accrual reports for five full-time employees, including the current and former Director.

- Three employees did not show their leave accrual balances for vacation, sick or comp time and one employee did not clearly show what type of leave she was charging when she took time off.
- Two of the five employees had sick leave accruals above the Board-approved maximum of 120 days during the 2013 calendar year. The current Director reported 147.5 days of sick leave accruals at December 31, 2013 and the former Director reported 163.5 sick days accrued upon the day of her retirement in September 2013.

- One employee consistently works less or more time than scheduled, according to her annual attendance history report. The employee nets the amount she worked over or under her scheduled time on a monthly basis and charges sick or vacation accruals if she does not have enough comp time to cover any shortages.
- Two of the five employees had comp time balances above the maximum hours (22.5 hour or three days) allowed by the policy during the 2013 calendar year. The former Director reported 128 comp days on the day of her retirement and a Librarian reported just over 12 days of accrued comp time balance on December 31, 2013. We extended our testing to review the comp time accruals for the remaining five full-time employees. We found one more employee whose accruals were over the comp-time policy limits. Due to the way the employee documented comp accruals, it could not be determined from her accrual report what her balance was at December 31, 2013. However, she documented more than 14 days of comp time use that was carried over from the 2011 and 2012 calendar years.
- Because the former Director was able to earn comp time in excess of the limit set by the Board's policy, her separation payment was \$3,180 more than she was entitled to.<sup>15</sup> According to the former Director's leave accrual report for 2013, she had a beginning balance of 141 days of comp time on January 1, 2013. Her 2013 accrual report showed that she earned nine more days of comp time in 2013 and used 22 days, giving her an ending balance of 128 days upon separation from the Library. She did not cash out any comp days when she retired in September 2013. However, because she charged all the days off she took in 2013 to comp leave, she was able to receive payment for the full four weeks, or 20 days, of vacation time that she had earned for the 2013 calendar year. Using the comp time rules from the Board's policy,<sup>16</sup> we determined that the former Director should have used 12 vacation days in place of the comp days she used in 2013. Therefore, she was inappropriately paid for 12 days of unused leave, or \$3,180.

<sup>15</sup> The former Director was the only full-time employee to leave employment with the Library during our audit period.

<sup>16</sup> She would have started the year with three days of earned comp time, the maximum one can accrue per the policy. Once one has accrued three days (22.5 hours) one cannot accrue more until the earned comp time is used. One must earn the leave before using it, and one may cash out any balance up to a maximum of three days.

We were informed by several full-time employees that they were never shown how to complete the annual leave accrual forms. The Board President informed us that she has never seen any leave accrual reports since she became a Board member (around 1998). She does not believe that any of the current Board members have ever reviewed them. Without a standard procedure for recording and tracking employee leave-time accruals and periodic reviews by the Director and the Board to verify that individual employees leave-time accruals are accurate and adhere to Board policies, the Library is at risk of paying employees leave accruals to which they are not entitled.

## **Recommendations**

The Board should:

7. Require that all employees complete and sign time records attesting to the time worked and leave time used and that such records include supervisory approval.
8. Require each employee to fill out the comp time request prior to earning the comp time as indicated in the Compensatory Time Policy.
9. Establish procedures that require all staff to complete leave requests that are approved by the Director or, in the case of the Director, a Board member. Leave requests should document the type of leave taken.
10. Adopt a leave policy that provides specific guidance for the process of submitting and approving leave requests.
11. Investigate the \$3,180 overpayment to the former Director for unused leave and determine whether to seek repayment.

Library officials should:

12. Establish and maintain centralized records of employee leave time that clearly account for leave time earned and used and a running balance of leave accruals available for the employees.
13. Institute procedures for verification of accrual records accuracy.

## **APPENDIX A**

### **RESPONSE FROM LIBRARY OFFICIALS**

The Library officials' response to this audit can be found on the following page.



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November 25, 2014

Chief Examiner, Syracuse Regional Office  
State Office Building, Room 409  
333 E. Washington Street  
Syracuse, NY 13202-1428

Dear Chief Examiner:

The goal of the Board of Trustees is to provide the Baldwinsville community with a well-operated and financially secure library of which they can be proud. With that in mind, we will seriously consider your concerns and recommendations.

In relation to the Private Fund, the audit identified two policies of which we were not aware, but now will certainly address. There were also procedures regarding documentation that can be quickly and easily implemented.

In relation to Employee Leave Accruals, documentation is again the issue. With an ever-expanding staff over the years, the old ways are probably not sufficient. The Board will standardize and clarify the process of leave request and accrual, providing documentation for management as well as direction for staff.

The audit has been an interesting process, and as a result of all the time spent by staff, Board members, and auditors good may come.

Barbara J. Aitken  
President of the Board of Trustees  
Baldwinsville Public Library

## APPENDIX B

### AUDIT METHODOLOGY AND STANDARDS

The objective of our examination was to assess the financial operations of the Library. To accomplish this, we performed an initial assessment of the internal controls so that we could design our audit to focus on those areas most at risk. Our initial assessment included evaluations of the following areas: general governance, Board oversight and financial condition, cash receipts and disbursements, purchasing, payroll and information technology.

During the initial assessment, we interviewed Library officials, performed limited tests of transactions and reviewed pertinent documents, such as policies, procedures, Board minutes and financial records and reports. After reviewing the information gathered during our initial assessment, we determined that the controls appeared to be adequate and that limited risk existed for most of the financial areas we reviewed. We then decided upon the reported objective and scope for the areas with the greatest risk. We examined private funds and employee leave accruals for the period of July 1, 2012 through February 28, 2014. Our audit included various procedures to gather relevant evidence concerning our stated objective, as follows:

- We interviewed the Board President, the private funds treasurer, the Director and the Director's secretary to gain an understanding of the internal controls surrounding private funds receipts, disbursements and reporting.
- We traced all 27 cash disbursements from the private funds checking and savings accounts made during our audit period, totaling \$14,888, to private fund reports, warrants and invoices to verify support.
- We traced all nine transfers made from private funds bank accounts (checking, savings and certificate of deposit) during our audit period, totaling \$20,594, to another private funds bank account.
- We traced all 40 cash receipts totaling \$8,319 during our audit period from the private funds monthly reports to the private funds bank accounts and then to receipt documentation where available.
- We footed the private funds monthly report for the month ending February 28, 2014. We compared the bank balances on the report to the available bank account statement and passbook balances to determine if they were accurate and up to date.
- We interviewed the Board President, the Director, the bookkeeper and various employees to gain their understanding of the Library's leave-accrual process and Board policies related to leave accruals.
- We used a random number generator to select two part-time employees who worked for the

Library during the 2013 calendar year for leave accrual testing. We also selected the current and former bookkeeper to test based on high risk factors.

- We used a random number generator to select two full-time employees who worked for the Library during the 2013 calendar year for leave-accrual testing. One employee had already been reviewed during our risk assessment. We also selected the current and former Directors to test based on high risk factors.
- We reviewed the individual part-time accruals reports of the four employees selected to determine if they were supported by source documents, were calculated correctly and followed the Board-approved policies related to leave accruals.
- We reviewed the individual full-time accruals reports of the five employees selected to determine if they were supported by source documents, were calculated correctly and followed the Board-approved policies related to leave accruals.
- We reviewed all 10 full-time employees' leave accrual reports to determine if they adhered to the Board's approved policy regarding comp leave accruals.
- We calculated the amount of comp time and vacation accruals available upon the former Director's retirement in accordance with the Board policy.

We conducted this performance audit in accordance with GAGAS. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

## APPENDIX C

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**OFFICE OF THE STATE COMPTROLLER**  
**DIVISION OF LOCAL GOVERNMENT**  
**AND SCHOOL ACCOUNTABILITY**

Andrew A. SanFilippo, Executive Deputy Comptroller  
Gabriel F. Deyo, Deputy Comptroller  
Nathalie N. Carey, Assistant Comptroller

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**BINGHAMTON REGIONAL OFFICE**

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